Financial Administration - Not-At-Risk Funds

I.   GENERAL

A.   General

1.   The provisions of this chapter apply to all *financial transactions for which the contractor is not-at-risk. These transactions will be specified in the contract. Examples of not-at-risk transactions are the benefit payments identified in* Section III.A.d.(1) *through* (31) *of this chapter, Capital and Direct Medical Equipment (*OPM Part Two, Chapter 4, Section II.B.7.*), and Demonstrations (*OPM Part Two, Chapter 20*).*

2.   *The contractor shall establish and maintain a financial accounting system that complies with Generally Accepted Accounting Principles (GAAP) and guidelines established by the Financial Accounting Standards Board (FASB). In addition, the contractor shall establish and maintain a financial and accounting users manual which includes elements such as a delineation of contract-required TRICARE financial accounting functions and reports, organizational structure with lines of authority clearly depicted, job descriptions, etc.*

B.   Corporate Internal Review

*C*orporate internal review *shall be accomplished* to make certain that accounting data are correct and reliabl*e*. The following are minimum requirements: The contractor corporate internal review staff must conduct regular, routine audits *on no less than an annual basis* to ensure proper monitoring in areas o*f* financial accounting, internal controls, special checks issued and returned, and selected history maintenance transactions for possible fraud and abuse review. For routine audits, the contractor is responsible, with TMA approval, for determining the factors that will be included in each individual audit and the time frames in which those audits will occur. The audit function may be subcontracted to a CPA firm. A copy of each audit of the accounting system will be sent to the Director, Contract Resource Management, TMA, and a copy to the Chief, Office of Program Integrity, TMA, at the same time it is released to contractor management. The audit will be considered as an alternative Internal Management Control Review for the accounting function.